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SUBJECT: Prospects for Future USG Assistance to the Thai Anti-Money Laundering Office

Ref: State 05603

11. (SBU) SUMMARY: Visiting USDOJ Official Linda Samuel accompanied by Embassy Bangkok officers called on senior Thai Anti-Money Laundering Office officials and held a productive discussion of possible new USG-RTG cooperation and capacity building assistance. The visit responded to a recent RTG decision, after 3 years of USG urging, to abolish a defective policy of personal cash awards to Thai law enforcement officers who successfully seized contraband funds and assets. END SUMMARY.

12. (SBU) Ms. Linda Samuel, Deputy Chief of the Department of Justice Criminal Division/Asset Forfeiture and Money laundering Division called on the RTG Anti-Money Laundering Office (AMLO) December 7 during a brief stopover in Bangkok. Ms. Samuel's visit was occasioned by the Thai government's recent abolishment of a system that since 2004 paid personal rewards to law enforcement officers as a percentage of funds seized. The Embassy and DOJ, as well as the United Nations Office on Drugs and Crime and several third-country embassies, had urged Thai authorities over the past three years to abolish the inherently ineffective policy that served to skew criminal case prioritization in favor of higher cash value targets. The U.S. additionally halted technical assistance programs to AMLO while the controversial system was in place. Joining Ms. Samuel was OPDAT Senior Regional Director for European/Pacific Programs Christopher Lehmann, Embassy NAS Director Terry Daru, NAS Resident Legal Advisor Phil Geuntert, and USDOJ Office of International Affairs Attach Chris Sonderby. The group was invited to AMLO by Anti-Money Laundering Board Secretary General Yuthabool Dissamarn and Deputy Secretary General Seehanat Prayoonrat, who wished to broach future assistance programs to Thailand now that the USG ban on assistance has been lifted.

13. (SBU) Ms Samuel's raised her concern at the onset that the Prime Minister's order to abolish the rewards system in fact contains a savings (grandfather) clause that would permit further payments for asset seizure that took place prior to the order's effective date. Yuthabool acknowledged that while the abolishment order theoretically allowed payments for cases that were finalized and approved for payment prior to October 2007, in fact only 'one or two' legacy cases now exist that could meet the criteria for payment, and that in any event no funds had or would be appropriated by the Parliament to AMLO in order to make such payments. Yuthabool also explained that in addition to the Prime Minister's abolishment of the controversial rewards system, the Cabinet was working to restructure AMLO itself in order to add emphasis to its Financial Institution Unit (FIU) monitoring role as well as to upgrade AMLO's Asset Management Division to bureau status.

14. (SBU) Yuthabool and his senior staff went on to describe some of

the goals that AMLO has developed in order to improve RTG monitoring and enforcement performance. These include:

- \* Develop mechanisms for cooperation between the Ministry of Finance, the Department of Special Investigations and AMLO;
- \* Issue and implement Ministerial Regulations to extend transaction reporting requirements to jewelry and gold shops, and real estate transactions;
- \* Expand use of AMLO's sophisticated tracking software that relies on point-of-contact transaction reporting, to include electronic reporting and monitoring of all financial transactions;
- \* Better regulate financial institutions, and levy fines;
- \* Develop AMLO's existing Thai-created Asset Management Software (AMCATs) for 3rd party use;
- \* Create Accessible Databases to manage and utilize Terrorist Name Lists;
- \* Develop methods with the USG to seize accounts and notify third-country FIUs;
- \* Amend the money laundering law to add new predicate offenses and to address customer due diligence requirements for non-financial business sectors

15. (SBU) Yuthabool enthusiastically proposed new USG assistance in order to meet these goals and to build Thailand's overall anti-money laundering regime enforcement and competence. AMLO is particularly interested in assistance and training to learn how to assess and regulate AML risks for non financial businesses and internet banking sectors, how to implement recent amendment to the Exchange Control Act, how to investigate, prosecute and forfeit assets related to new

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predicate offenses, and how to improve international cooperation with respect to terrorist financing and managing restrained assets at the request of another country. S/G Yuthabool proposed training programs in Thailand by U.S. experts, selective visits by RTG officials to the U.S. and other capacity-building activities to be development with consultation of USDOJ and the Embassy.

16. (SBU) Working through the newly assigned NAS Resident Legal Advisor and NAS Director, Post will develop plans for delivery of USG assistance that may be feasible. Post appreciates the continued close cooperation and guidance of DOJ's Criminal Division/Asset Forfeiture and Money Laundering Section regarding these important issues, and looks forward to providing further support to USG anti-money laundering efforts in Thailand.

17. This report has been cleared by USDOJ/Linda Samuel.

Boyce